

Introduced by Senator MorrowJanuary 22, 2004

An act to amend and repeal Sections 15819.90 and 15819.95 of, and to repeal Sections 15819.80, 15819.85, and 15819.92 of, the Government Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

SB 1143, as introduced, Morrow. Veterans' homes: construction and funding.

Existing law authorizes the construction of the Veterans' Home of California at Barstow and appropriates funding for initial work associated with the Governor's Commission on a Southern California Veterans Home and Veteran Home Project Team. In addition, existing law allows construction of veterans' homes in southern California using revenue bonds.

This bill would delete sections of the Military and Veterans' Code relating to construction and appropriation of funds for the Veterans Home of California at Barstow and would also provide for the repeal of applicable sections relating to construction and funding upon completion and closure of the Chula Vista construction project.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 15819.80 of the Government Code is
- 2 repealed.
- 3 ~~15819.80. The Department of Veterans Affairs may construct~~
- 4 ~~and establish a second veterans' home to be located in southern~~



1 California, as specified in subdivision (b) of Section 1011 of the
2 Military and Veterans Code.

3 SEC. 2. Section 15819.85 of the Government Code is
4 repealed.

5 ~~15819.85. (a) The board shall issue revenue bonds,~~
6 ~~negotiable notes, or negotiable bond anticipation notes pursuant to~~
7 ~~Chapter 5 (commencing with Section 15830) to finance the~~
8 ~~construction of a second veterans' home in southern California.~~

9 ~~(b) The amount of revenue bonds, negotiable notes, or~~
10 ~~negotiable bond anticipation notes to be sold pursuant to Chapter~~
11 ~~5 (commencing with Section 15830) for capital outlay for this~~
12 ~~purpose shall not exceed the sum of eleven million dollars~~
13 ~~(\$11,000,000). This amount shall be available, in addition to any~~
14 ~~federal funds available, as necessary for the construction of a~~
15 ~~second veterans' home, site studies, suitability reports,~~
16 ~~environmental studies, master planning, architectural~~
17 ~~programming, schematics, preliminary plans, working drawings,~~
18 ~~construction, and equipment.~~

19 ~~(c) The amount of revenue bonds, negotiable notes, or~~
20 ~~negotiable bond anticipation notes to be sold shall equal the costs~~
21 ~~of performance of all functions referred to in subdivision (b), and~~
22 ~~any additional amounts, as specified in subdivision (g).~~

23 ~~(d) The amount of negotiable bond anticipation notes to be sold~~
24 ~~shall not exceed the amount of revenue bonds or negotiable notes~~
25 ~~authorized by this chapter.~~

26 ~~(e) Notwithstanding Section 13340, funds derived for the~~
27 ~~purposes of this chapter from the financing methods pursuant to~~
28 ~~Chapter 5 (commencing with Section 15830) for the construction~~
29 ~~of a second veterans' home are hereby continuously appropriated~~
30 ~~to the board on behalf of the Department of Veterans Affairs for~~
31 ~~the construction or refinancing of the second veterans' home so~~
32 ~~financed.~~

33 ~~(f) The Department of Veterans Affairs may borrow funds for~~
34 ~~construction of the second veterans' home from the Pooled Money~~
35 ~~Investment Account pursuant to Sections 16312 and 16313.~~

36 ~~(g) The board may authorize the augmentation of the cost of the~~
37 ~~construction of the home set forth in this chapter pursuant to the~~
38 ~~board's authority under Section 13332.11. In addition, the board~~
39 ~~may authorize any additional amounts necessary to pay the costs~~
40 ~~of financing, including, but not limited to, the payment of interest~~

~~during acquisition or construction of the home, any additional amount as may be authorized by the board to pay the cost of financing a reasonably required reserve fund, interest payable on any interim loan for the home from the Pooled Money Investment Account pursuant to Section 16312, and the costs of issuance of permanent financing of the home.~~

SEC. 3. Section 15819.90 of the Government Code is amended to read:

15819.90. (a) It is the intent of the Legislature to make an appropriation for three additional sites of the Southern California Veterans' Home, *following construction of the veterans' home at Barstow*, for a total of four sites.

(b) (1) (A) The board shall issue revenue bonds, negotiable notes, or negotiable bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) to finance the construction of an additional site of the Southern California Veterans' Home only in accordance with subparagraph (B).

(B) Authorization and bond issuance for the second site shall take place after the department certifies that the construction of the first site, the veterans' home at Barstow, ~~as set forth in Section 15819.85~~, has been completed and opened, and demonstrates to the State Public Works Board that the facility is fully operational and that there is a demonstrated demand for a second site.

(2) The second, third, and fourth sites shall be in addition to the first site ~~provided for in Section 15819.85~~ *located at Barstow*.

(c) The amount of revenue bonds, negotiable notes, or negotiable bond anticipation notes to be sold pursuant to Chapter 5 (commencing with Section 15830) for capital outlay for this purpose shall not exceed the sum of twelve million dollars (\$12,000,000). This amount shall be available as necessary for the site studies, suitability reports, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, and equipment of site two of the Southern California Veterans Home. These funds shall also be used for repayment of any loan made pursuant to former Section 15819.90, as added by Chapter 943 of the Statutes of 1995, for costs related to the first and second sites.

(d) In addition to the funds appropriated pursuant to subdivision (g), the sum of sixty-six million dollars (\$66,000,000) in federal matching funds available pursuant to the State Veterans'

1 Home Assistance Improvement Act of 1977 (38 U.S.C.A. Sec.
2 8131 et seq.), is hereby appropriated to the board on behalf of the
3 Department of Veterans Affairs for the purposes of construction or
4 repayment of any loan related to the second, third, and fourth sites
5 of the Southern California Veterans' Home. In the event that bonds
6 are not issued or sold, any loans for the purposes of this section or
7 former Section 15819.90, shall be repaid from the department's
8 annual support appropriations.

9 (e) The amount of revenue bonds, negotiable notes, or
10 negotiable bond anticipation notes to be sold shall equal the costs
11 of performance of all functions referred to in subdivision (c), and
12 any additional amounts, as specified in subdivision (h).

13 (f) The amount of negotiable bond anticipation notes to be sold
14 pursuant to this section shall not exceed the amount of revenue
15 bonds or negotiable notes authorized by this section.

16 (g) Notwithstanding Section 13340, funds derived for the
17 purposes of this section from the financing methods of Chapter 5
18 (commencing with Section 15830) are hereby appropriated,
19 without regard to fiscal year, to the board on behalf of the
20 Department of Veterans Affairs for the construction or repayment
21 of any loans related to the second site of the Southern California
22 Veterans' Home.

23 (h) The State Public Works Board may borrow funds for all
24 phases of the projects from the Pooled Money Investment Account
25 pursuant to Sections 16212 and 16313, and any other legal fund
26 sources.

27 (i) The board may authorize the augmentation of the cost of the
28 construction of the sites set forth in this chapter pursuant to the
29 board's authority under Section 13332.11. In addition, the board
30 may authorize any additional amounts necessary to pay the costs
31 of financing, including, but not limited to, the payment of interest
32 during construction of the sites, any additional amount as may be
33 authorized by the board to pay the cost of financing a reasonably
34 required reserve fund, interest payable on any interim loan for the
35 homes from the Pooled Money Investment Account pursuant to
36 Section 16312, and the costs of issuance of permanent financing
37 of the sites. Notwithstanding subdivision (d) of Section 13332.11,
38 the board shall defer all augmentations in excess of 10 percent of
39 the amount appropriated for each capital outlay project until the



Legislature makes additional funds available for the specific project.

(j) The Department of Veterans Affairs is hereby authorized to enter into any lease agreement with the State Public Works Board necessary to achieve completion of the construction phase of the second, third, and fourth Southern California Veterans' Home project sites. The Director of Veterans Affairs shall notify the Chairperson of the Joint Legislative Budget Committee of the director's intention to execute any lease agreement authorized by this section at least 45 days prior to its execution.

(k) This section shall be repealed on January 1 following certification to the Public Works Board by the Secretary of the Department of Veterans Affairs, and with Department of Finance concurrence, that the construction project at Chula Vista is complete and that all accounting records are closed.

SEC. 4. Section 15819.92 of the Government Code is repealed.

~~15819.92. In addition to any funds made available through Section 15819.90, the sum of one hundred forty-four thousand dollars (\$144,000) is hereby appropriated from the General Fund to the State Department of Veterans Affairs for allocation as follows:~~

~~(a) Fourteen thousand dollars (\$14,000) to the Governor's Commission on a Southern California Veterans Home.~~

~~(b) Sixty-five thousand dollars (\$65,000) to the California Veterans Home Project Team.~~

~~(c) Sixty-five thousand dollars (\$65,000) to the California Veterans Home Project Team, only if an application for federal matching funds from the United States Department of Veterans Affairs is approved for funding.~~

SEC. 5. Section 15819.95 of the Government Code is amended to read:

15819.95. (a) The funds generated from the issuance of the bonds pursuant to Section 15819.90 shall be expended only upon receipt of the matching amount of federal funds from the United States Department of Veterans Affairs. The Director of Veterans Affairs shall notify the Chief Clerk of the Assembly, the Secretary of State, and the State Public Works Board in writing that the federal matching funds have been provided, and the Chief Clerk

1 of the Assembly shall publish this notification in the Assembly
2 Journal.

3 The total amount of federal matching funds to be received is
4 twenty-two million dollars (\$22,000,000) for each of the second,
5 third, and fourth sites, however, the entire amount does not need
6 to be received prior to expenditure of the funds from the bond
7 issuance authorized by Section 15819.90, if there has been a
8 federal commitment to provide those matching funds. The board
9 may allocate funds to the Department of Veterans Affairs for
10 expenditures that are equal to a 35-percent portion of the total
11 acquisition and construction costs.

12 *(b) This section shall be repealed on January 1 following*
13 *certification to the Public Works Board by the Secretary of the*
14 *Department of Veterans Affairs, and with Department of Finance*
15 *concurrence, that the construction project at Chula Vista is*
16 *complete and that all accounting records are closed.*

